August 18, 2016

DALLAS TEXAS 75202-2733

Lard Oil Company Attn: Johnny Milazzo President 914 Florida Ave., SW Denham Springs, LA 70726

Re: <u>Notice of Federal Interest in an Oil Pollution Incident, Denham Springs, Livingston Parish,</u> Louisiana.

Dear Mr. Cooley:

This letter is to inform you of a discharge of oil from a facility located at 914 Florida Ave. SW, in Denham Springs, Louisiana in Livingston Parish, for which you may be financially responsible. Under federal statutes, the United States Government has an interest in this incident and may take appropriate action to minimize damages which are threatened or which may be caused by this incident.

The discharge of a prohibited quantity of oil or a hazardous substance is a violation of the Clean Water Act, as amended by the Oil Pollution Act of 1990 (OPA). Under OPA, the responsible party is liable for clean-up costs and damages resulting from an incident. A responsible party is the owner, operator, or person in charge of a facility or vessels from which the oil is discharged or poses a threat of discharge.

You may be a responsible party for the above-mentioned incident if it is determined that you have ownership or operating interests in the well site, and that the well is discharging oil or posing a threat of discharge of oil.

If you are a responsible party, you should clean up the discharge oil and/or take other actions to prevent or mitigate or minimize the threat of further discharges of oil. If you are a responsible party and do not act, the United States may respond for you and take such actions that are necessary to remove the discharged oil or to minimize or to mitigate the threat. The U.S. costs to respond to this incident will be billed to, and recovered from, the responsible party.

You are advised that a responsible party may lose the opportunity to limit their liability for cleanup under OPA if the responsible party fails or refuses to provide all reasonable cooperation and assistance requested by a responsible official in connection with response activities. A responsible party who fails to comply with a Federal On-Scene Coordinator (FOSC) order to

remove the discharge or to an administrative order to protect the public health and welfare may be subject to additional penalties. Under the Federal Water Pollution control Act (FWPCA), a civil penalty can amount up to \$37,500 per day of violation. Additionally you could be subject to up to three times the costs incurred by the Oil Spill Liability Fund to conduct removal actions.

If a responsible party takes adequate removal actions in this matter, federal removal actions will usually be limited to monitoring the progress of your actions and providing guidance as necessary. A removal is being done properly if it is done in accordance with federal and state statutes and regulations and in accordance with the criteria of the National Oil and Hazardous Substance Pollution Contingency Plan (NCP). If you undertake the removal actions, the adequacy of such action shall be evaluated by the FOSC. Under the FWPCA, a responsible party's actions may be taken into account in determining the amount of any penalty assessed as a result of the incident.

If you require further information concerning this matter, please contact me at (214) 215-1783. Please contact me within 24 hours from receipt of this letter to discuss cleanup.

Sincerely,

Bryant Smalley

Federal On-Scene Coordinator